

Community Development Block Grant Narrative

Introduction

The City of Cambridge has successfully completed the first year of the City's Five Year Consolidated Plan. Activities undertaken during this period reflect the goals and objectives as stated in the City's Five Year Consolidated Plan and One Year Action Plan. What follows below is a broad overview of how each receiving Department within the City utilized CDBG funds in relation to the One Year Action Plan, and how these activities contribute to the fulfillment of objectives as stated in the City's Five Year Consolidated Plan. Please refer to each Department's separate Narrative for details not elucidated here.

Overview of CDBG Funded Activities	Housing	Economic Development	Community Planning	Public Services
Accomplishments - FY 2001	(Units)	(Businesses)	(People Assisted)	(People Served)
Anticipated	160	25	1660	2270
Actual	464	0	1660+	5,131
Five Year Consolidated Plan	1,624	4,792	8,300	18,500
Expenditures - FY 2001				
Anticipated	\$2,362,936	\$275,000	\$696,010	\$571,140
Actual	\$2,599,908	\$0	\$540,314	\$528,428
Five Year Consolidated Plan	\$11,700,000	\$635,000	\$4,000,000	\$3,000,000

Housing

The City of Cambridge is home to one of the most effective Housing Departments currently operating in the US. The City, being largely built-out and in close proximity to the City of Boston, faces a very challenging real-estate market where owners and developers can receive substantial returns on the open market. Considering these challenges, the Housing Department has been successful in maintaining a large percentage of affordable housing units and has been effective in the utilization and leveraging of HUD supplied funds.

The Department utilizes, as its primary sub-recipients, the HRI, JAS and CNAHS organizations Home Improvement Program (HIP), Affordable Housing Development (AHD) and Multi-Unit Rehab objectives. The Department has also been very successful in leveraging CDBG funds in funding its initiatives. The Housing Department currently operates a \$10 million Trust Fund, funded by City taxes, which is used to maintain affordability in Cambridge. Housing also uses HUD money to execute initiatives outside of JAS, HRI and CNAHS contracts.

FY01 One Year Action Plan

HOUSING	Funding		Accomplishments	
	Anticipated	Actual	Anticipated	Actual
HRI/HIP	\$172,000	\$174,000	5	22
JAS/HIP	\$319,237	\$329,237	25	42
HRI/AHD	\$215,724	\$245,724	10	51
JAS/AHD	\$64,143	\$524,643	10	29
CNAHS/AHD	\$82,129	\$105,650	10	10
JAS/RAP	\$277,500	\$280,000	100	310

Economic Development

Activities undertaken during the first year of the City's Five Year Consolidated Plan consisted primarily of laying the framework of the Plan as well as initial implementation of Plan objectives. The three primary initiatives of the Economic Development Department included: A Retail Best Practices Program aimed at providing low/moderate income eligible microenterprise retailers and restaurateurs assistance in achieving higher degrees of operational efficiency, a Loan Fund Incubator aimed at serving 3 to 4 businesses and preserving a blighted historical building (providing the space to 2 non-profit theatre operators), and continuing its work with the Cambridge Business Development Center (CBDC).

The Economic Development Department has faced certain difficulties in achieving the goals as stated in the One Year Action Plan. The Department has been working through staffing issues throughout all of FY 2001, including the absence of a Director. These issues led to a Comprehensive Monitoring by the HUD field office. The Economic Development Department has been working closely with HUD's field personnel in resolving all compliance issues while maintaining its efforts to achieve the goals as stated in the FiveYear Consolidated Plan.

FY01 One Year Action Plan

Economic Development	Anticipated	Actual
Funds Spent	\$275,000	\$0
Accomplishments	25	0

Community Planning

Cambridge's Community Planning Department plays an integral part in the City's development, and how that development is designed and enacted with public awareness and interaction. Community Planning provides high quality technical assistance to staff members, the City and residents for all department operations and provides information to the public on various planning and zoning initiatives. The Department also staffs and assists the Planning Board, working with various interested parties, both public and private, in developing, reviewing and implementing various urban design improvements.

In FY 2001, the Community Planning Department completed a Citywide Rezoning initiative and communicated the resulting new Cambridge Zoning Ordinance to the public via the City's web-site. Community Planning also completed its Eastern Cambridge Planning Study (ECaPS) and submitted its Proposal to the Planning Board. The Riverside Planning Study was initiated during FY 2001, and two Open Space / Playground initiatives were taken to the design and implementation stages. The Community Planning Department met its FY 2001 public outreach goal through the many programs, events and initiatives undertaken during the period.

FY01 One Year Action Plan

Community Planning	Anticipated	Actual
Funds Spent	\$567,070	\$540,314
People Assisted	1,660	1660+

Public Services

The City of Cambridge provides a comprehensive array of Public Services and programs for its residents through the Department of Human Services. The Department's mission is to improve the quality of life for Cambridge's Youths, Seniors and all residents by creating and coordinating public services. The scope of the work the Department of Human Services undertakes is impressive and its effectiveness in executing its objectives is seen in the number of Cambridge residents assisted each year through its programs.

The Department delivered these services through programs aimed at: Training and counseling for gainful employment; Legal services for at-risk families and individuals; services for Battered and Abused spouses; Child Care services; counseling and support initiatives for at-risk Youths and their families; programs for the City's Seniors and various General services which do not fit easily into a HUD specified category. The Department of Human Services also administers the City's Continuum of Care and ESG programs, which provide comprehensive services to homeless and at-risk individuals and families throughout Cambridge.

PUBLIC SERVICES	Funding		Accomplishments	
	Anticipated	Actual	Anticipated	Actual
Battered and Abused Spouses	\$72,000	\$74,930	500	439
Child Care Services	\$20,000	\$18,937	500	133
Employment Training	\$68,500	\$80,307	50	306
General	\$280,140	\$280,487	1,000	3,747
Legal Services	\$20,000	\$23,267	100	103
Senior Services	\$28,000	\$28,000	20	351
Youth Services	\$82,500	\$22,500	100	52

Citizen Comments

The Community Development Department would like to consider the views and comments of the City's residents. However, no comments were received during the 15 days that the Annual Performance Report was available to the public. The Community Development Department believes the lack of comment is due, in great part, to the Department's prior positive and extensive consultation with neighborhood groups, business leaders, service providers and other residents of the City. As noted above, the FY01 Annual Performance Report will be available for examination upon request to the Cambridge Department of Community Development.

Housing Division

Assessment of Goals and Objectives

Introduction

Through its commitment to create and preserve affordable housing for low and moderate-income residents in Cambridge the City's Community Development Department, Housing Division identified four definitive objectives to meet its goal. The objectives include:

- Preserving Affordable Rental Units;
- Creating New Affordable Rental Units;
- Creating Affordable Homeownership Units; and
- Stabilizing and Renovating Owner-Occupied Units.

In the Five-Year Consolidated Plan completed in May 2000, the City projected goals to be achieved over 5 years. It embarked on plans to strategically meet its objectives by partnering with non-profit housing developers, the Cambridge Affordable Housing Trust, and the Cambridge Housing Authority (CHA). With funds received from the US Department of Housing and Urban Development (HUD) it successfully leveraged financial support from other federal, state, local and private sources to meet development and housing service objectives. The following narrative is an overview of the City's activities completed in FY 2001 and its progress in meeting the housing goals stated in the Five-Year Consolidated Plan.

Objective #1: To preserve affordable rental housing opportunities, and enhance access for extremely low, and low and moderate-income renters.

In order to preserve federally-assisted rental housing, this program provides technical and financial assistance to tenants and landlords of properties that are in danger of being converted to market-rate housing. The City works in collaboration with the U.S. Department of Housing and Urban Development (HUD), the Massachusetts Department of Housing and Community Development (DHCD), residents of the expiring use buildings, owners, local housing organizations, and other public and private lending institutions. The City's housing preservation strategy also includes enforcing local use restrictions resulting from zoning or tax agreements.

Accomplishments: In Fall 2000, the City successfully negotiated the affordability in perpetuity of 240 units at the Walden Square Apartment complex through an agreement between the residents and owner. Although neither CDBG nor HOME funds were invested directly in the preservation of these units, staff and consultant salaries were paid with CDBG funds. In collaboration with residents, the owner, Massachusetts Department

of Housing and Community Development and the U.S. Department of Housing and Urban Development collaborated to preserve these units with expiring use restrictions.

Challenges: The primary challenge in preserving buildings with expiring affordability restrictions is the strong real estate market in Cambridge. Owners of federally funded developments need significant financial incentives to not convert units to market-rate rental or condominium housing as tremendous financial gains can be made by doing so.

Objective #2: To create new affordable rental units targeted to extremely low, and low and moderate-income families and individuals.

Non-profit Sponsored Development

Through the City's Non-profit Sponsored Affordable Housing Development program, several local non-profit housing agencies including, Homeowner's Rehab Inc., (HRI), Just A Start Corporation (JAS) (HRI and JAS are both designated CHDOs), Cambridge and Somerville Cooperative Apartment Program (CASCAP), and the Cambridge Affordable Housing Corporation (CAHC) (a subsidiary of the Cambridge Housing Authority), receive financial assistance and technical support. These organizations acquire and rehabilitate existing buildings and/or develop new affordable housing. The buildings become permanently affordable through the City's Affordable Housing Agreement, which enforces a long-term deed restriction, generally 50 years or more. The City considers the use of City-owned land for development as affordable housing whenever possible for either rental or homeownership units.

Accomplishments: In fiscal year FY01, the City funded 141 units, including housing for persons with disabilities. The developments were funded with CDBG, HOME, and other public and private funds. These units are in various stages of development and will be rented to extremely low, low and moderate-income residents when completed.

Community Development Housing staff salaries were funded with CDBG and HOME funds for these projects. Staff works with the non-profit organizations to identify potential opportunities, assess the overall feasibility of the project, identify funding sources, shepherd the project through development and marketing, and monitor units to ensure continued compliance with HUD regulations. In addition, many of these projects also received additional funds from the City to support predevelopment or capital improvements.

Inclusionary Zoning Program

Through the Inclusionary Zoning Program private owners developing new or converted residential development with 10 or more units are required to provide 15% of the total number of units as affordable housing. The units are preserved as affordable for the life of the building.

Accomplishments: In FY 2001, 60 units were developed through the Inclusionary Zoning

Program. These units are also in various stages of development and will be rented to households with low and moderate incomes as they are completed. With soaring housing prices, the Inclusionary Zoning Program has been a successful vehicle for securing affordable units in mixed-income development throughout the City.

Community Development Housing staff salaries are funded with CDBG funds to help administer the Inclusionary Zoning Program. Staff provides technical assistance to developers, review plans and specifications to ensure that the City receives 15% of the units, ensure that the units are comparable in size and amenities to market-rate units, and assist the developer to market the units to eligible renters or buyers.

Cambridge Neighborhood Apartment Housing Services (CNAHS)

The Cambridge Neighborhood Apartment Housing Services, Inc. provides low-interest rehabilitation financing to private owners of multifamily properties in return for a set-aside of units for low and moderate-income tenants. Currently CNAHS staff is working with the owner of 3 buildings who are interested in participating in the program. Due to the exceptionally strong rental market in Cambridge, CNAHS has had difficulty attracting new owners into the program. Owners have indicated that they would prefer to secure traditional financing through a bank as they can then charge market rate rents instead of being subject to the affordability requirements associated with public funds. CNAHS staff has adjusted the program and are continuing to work with interested owners. In FY 01, no owners participated in the CNAHS program.

Accomplishments: To summarize, in FY 2001, the City created a total of 201 rental units (141 through the non-profit development program and 60 through Inclusionary Zoning).

Challenges: The primary challenges in producing new affordable rental opportunities are high acquisition and construction costs. Land for construction is in limited supply as Cambridge is a largely built-out city. Also, competing community demands often result in the density reduction of new development opportunities.

Objective #3: To increase affordable homeownership opportunities for first-time low and moderate-income buyers.

The City offers a First-time Homebuyer Education (FTHB) and Counseling program and provides funding to local housing agencies to develop new homeownership opportunities. Lenders from local banks, home inspectors, and real estate attorneys attend classes each month. In March 2001, the City collaborated with the Woman's Commission to offer a class designed especially for woman. The City also collaborated with the Massachusetts Alliance of Portuguese Speakers to develop a class for Portuguese speakers.

Accomplishments: In FY01, Housing staff hosted 11 FTHB classes. Approximately 500 people participated in the classes and 100 received one-on-one counseling. In total, approximately 600 households were served through this program.

In FY01, Just A Start Corporation began construction on 3 three-bedroom homeownership units on Harvard Street. The City has also assisted developers to sell three (3) affordable homeownership units developed through the Inclusionary Zoning Program to households that participate in the City's FTHB program.

Challenges: Cambridge is largely a built-out City, because of this it faces several challenges in producing new affordable homeownership opportunities, they include, high acquisition and construction costs, and competing community demands that often reduce the density of new development opportunities. In addition, tax credits are a major source of equity for development opportunities but homeownership is not an eligible use under the Federal tax-credits program.

Objective #4: To continue to stabilize owner-occupied one-to-four family buildings owned by the extremely low, low and moderate-income households.

In collaboration with Homeowners Rehab. Inc. (HRI) and Just A Start (JAS), the Home Improvement Program (HIP) is a low-interest rehabilitation loan program for low and moderate-income owners of one to four-unit buildings. Owners can use the funds to renovate their buildings to meet HUD and City building code requirements with the agreement that rents will be kept affordable. The two non-profits target their rehabilitation efforts in separate parts of the City.

Accomplishments: In FY01, Just A Start and Homeowner's Rehab have contracted with homeowners to rehabilitate 59 units under the Home Improvement Program, of these JAS has already began working on 43 and HRI on 16 units.

The Community Development Department funds a contract with each agency to support both staff time and loan funds for this program. In addition, housing staff salaries in the Community Development Department are supported with CDBG funds to administer this program.

Challenges: The new Title X Lead Regulations have posed a significant challenge for owners of 1-4 family owner-occupied buildings who would like to participate in this program. Although an owner may be eligible for the low-interest loan funds, the scope of work for most owners would be significantly increased if they participate in this program due to the requirement to delead common areas, outdoor areas, and one-bedroom units that are only recently subject to deleading regulations.

Many owners have elected not to participate in the program since the new regulations were enacted; thus, reducing the number of affordable rental units potentially secured through this program.

Public Education and Outreach

In addition to the four objectives outlined above that address preserving, developing and stabilizing units throughout Cambridge, the Community Development Housing staff also serve as a housing resource for Cambridge residents providing referrals to organizations that can meet their housing needs. The "Affirmatively Furthering Fair Housing" section of the narrative outlines many of the public outreach events that staff hosted to educate residents about housing programs and services offered throughout the City. In FY01, Housing staff responded to over 2,700 inquiries about services and programs to which staff provide information and referrals to agencies throughout the City and/or greater Boston area.

Rehabilitation Assistance Program

Through this program, youth crews receive hands-on rehabilitation experience by working on non-profit sponsored housing projects and the Cambridge Housing Authority's public housing sites. The program is administered by Just A Start with financial support from the City throughout the CDBG program. In FY01, 141 youths worked on 131 units.

Affirmatively Furthering Fair Housing

The following section addresses the City's efforts to further fair housing for all Cambridge residents. The City of Cambridge has firmly committed to affirmatively furthering fair housing by:

- Establishing committees and programs to address the City's fair housing needs, including a Fair Housing Committee and Homeless Steering Committee that are active in initiating educational and outreach programs to further fair housing. The Community Development Staff serve as active members of these committees.

With the Federal Government's dissolution of the Community Housing Resources Board Program, the City of Cambridge established a Fair Housing Committee in 1994 to continue some of the CCHRB activities as well as initiate new educational and outreach programs to further Fair Housing in Cambridge. The Fair Housing Committee is composed of over 30 representatives of housing users and providers, minority and disabled agencies, and other appropriate groups. It is chaired by the Executive Director of the Cambridge Human Rights Commission.

- Establishing the City's Human Rights Commission. The Commission investigates allegations of discrimination and continues its commitment to ensure compliance with Title VIII of the Civil Rights Law of 1968, and the 1988 Amendments that expanded the existing legislation to prohibit housing discrimination against disabled individuals and families. The City's Human Rights Commission receives HUD funds, as well as City funds, for mediation, public hearings, and awarding of damages for cases under fair housing laws.
- Hosting housing events throughout the City that inform residents about housing services and programs available in the City.

For example, in March 2001 the Community Development Department (CDD) hosted three (3) community meetings throughout the City. The purpose of the meetings was to review the City's housing programs, provide information about how to access these programs and services, and to provide the community with an opportunity to talk with housing staff about their questions or concerns. Housing staff from the Community Development Department and local housing agencies including Homeowner's Rehab, Just A Start, CASCAP, and the Cambridge Housing Authority attended each meeting. Several City Council members also attended.

A wide range of materials were available for residents, the included: Cambridge Affordable Housing Trust (CAHT) Brochure; Guide to Cambridge Housing Programs; Rental Application & Homeownership Database Form; First-time Homebuyer Registration Form; and information brochures from JAS, CHA, CASCAP, and HRI. Approximately 90 people attended the outreach meetings.

The event was advertised in the Cambridge Chronicle and Tab, and flyers were distributed to public locations through out the City (e.g., Senior Center, City Hall, libraries).

- Creating innovative zoning policies that foster the creation of new housing opportunities.

In 2001, the City Council passed a citywide rezoning initiative. The new zoning makes housing an allowable use in all districts, rezoned numerous districts to housing, facilitated the conversion of industrial buildings by streamlining the permitting process, and reduces commercial FARS (thereby increasing a developer's incentive to build housing). Each of these will result in new opportunities for local affordable housing developers and produce affordable units through the Inclusionary Zoning Ordinance.

- Supporting programs and services run by local agencies to further fair housing.

The City provides support for several other programs and services that further fair housing for resident, including:

Tenant/Landlord Mediation Services: With funding from the City, Just A Start Corporation administers a tenant/landlord Mediation Services Program. The Agency receives \$62,400 in City funds to administer, develop, and implement this program.

Tenant Organizing of Expiring Use Buildings: With support from the City, the Cambridge Economic Opportunity Corporation (CEOC) employs a full-time Tenant Organizer whose responsibility is to organize and mobilize tenants at risk of being displaced from federally-assisted buildings when their affordability restriction expire. CEOC receives \$35,000 annually from the City for this program.

City of Cambridge Multi-Service Center: This center provides housing search services, referrals to shelters, and limited emergency funds.

Cambridge and Somerville Legal Services (CASLS): CASLS provides free legal services for low-income residents.

Addressing Impediments to Fair Housing

The City identified and addressed several impediments to fair and affordable housing in its Five-Year Consolidated Plan.

High Cost of Land and Real Estate

The high cost of land continues to make Cambridge a highly profitable real estate market and increases the challenge to create and preserve affordable housing. To that end, the City has several programs that facilitate the development and preservation of affordable housing, including Non-profit Sponsored Rental and Homeownership Development, Inclusionary Zoning Program, Expiring Use preservation Program, Home Improvement Program (See Objectives 1-4 for additional detail and accomplishments about these programs). In addition, the City-wide Rezoning Initiative will foster the development of new housing opportunities throughout the City as described in the previous and following sections.

Zoning

The Cambridge Community Development Department (CDD) has worked for many years to support zoning policies that would promote incentives to encourage developers to provide affordable housing, including Inclusionary Zoning, Incentive “Linkage” Zoning, and the City-wide Rezoning Initiative. A summary of these programs are as follows:

Inclusionary Zoning: In 1998 the City adopted the Inclusionary Zoning Ordinance that requires developers of any new or converted residential development with 10 or more units to provide 15% of the total number of units as affordable housing. In return, the developer receives up to a 30% increase in density. CDD monitors compliance with this ordinance. Staff works with the private developers to design and implement the marketing and sale or leasing of units to low-income Cambridge residents. In FY 2001, 60 units were secured through a deed restriction that ensures their affordability for the life of the building. As these units are completed, they are rented or purchased by low to moderate-income families.

Incentive Zoning: In 1988, Cambridge adopted an Incentive Zoning "Linkage" Ordinance. It requires that non-residential developers with projects over 30,000 square feet that require a Special Permit to authorize an increase in the permissible density or intensity of a particular use mitigate the impact of their development through a contribution to the Affordable Housing Trust. These funds are used to sponsor the development of affordable rental and homeownership units. Currently a study is underway to update and expand the ordinance with the goal of increasing the contribution of funds to the Trust for housing development.

Citywide Rezoning Initiative: In 2001, the City Council passed a citywide rezoning initiative. The new zoning makes housing an allowable use in all districts, rezoned numerous districts to housing, facilitates the conversion of industrial buildings by streamlining the permitting process, and reduces commercial FARS (thereby increasing a developer's incentive to build housing). Each of these will result in new opportunities for local affordable housing developers and produce affordable units through the Inclusionary Zoning Ordinance.

Termination of Rent Control

In 1995, rent control was eliminated through a statewide ballot initiative. Consequently, the costs of housing in Cambridge have risen dramatically especially with the rise in acquisition and construction costs in the great Boston area and the low vacancy rates. Since 1995, Cambridge has made significant contributions to increasing affordable housing through the Cambridge Affordable Housing Trust's CITYHOME program. To date, the Trust has received over \$22.25 million in City funds. An additional \$4.5 million was been requested for FY2002. The Trust provides funding for housing development, preservation, and improvement. Cambridge is one of the few localities nationwide that spends significant local funds on affordable housing efforts.

Availability of Funding

High acquisition and construction costs, low vacancy rates, and a strong economic sector have had a tremendous impact on the cost of housing in the Cambridge market. According to the Cambridge Assessor's office, the median residential sales prices have increased 15% in the last year. Continued escalation of the cost of housing results in fewer units created with federal, state, and local dollars.

In spring 2001 the Cambridge City Counsel endorsed the state's Community Preservation Act (CPA) and voted to place it on the ballot in the November election. If adopted by the voters, CPA will generate additional resources for open space, housing development, and historic preservation through the 3% surcharge on local property taxes and the state matching funds. The CPA will include two major exemptions, low and moderate income, elderly residents, and the first \$100,000 of a homeowner's property value. The adoption of CPA by Cambridge residents will provide funding for the next five years for the three uses aforementioned, and will serve as a leverage to funds provided by HUD.

Competing Concerns of Neighborhood Residents

There are competing demands among residents in Cambridge. Several of the primary conflicts exist between the desire for more housing but limited tolerance for increased pressure on parking, traffic, and open space. The City has considered several strategies to address and remove the existing barriers. The strategies include: public education; using prior successful affordable housing developments as examples of good development with minimal impact on the neighborhood; increased funds for various uses (e.g., through the Community Preservation Act) and intensive work with neighborhood residents to try to develop support to offset potential opposition. However, it is

important to recognize that in a very dense City, there will always be the difficult issue of competing uses for any remaining undeveloped land.

Affordable Housing

As described throughout this report, the City of Cambridge has adopted a multi-faceted approach in its commitment to preserving, creating and stabilizing the City's affordable housing stock. To this end, the City offers a wide range of programs and services.

Non-Profit Acquisition and Development of Multifamily Properties: *Funded 141 units in FY01, including housing for persons with disabilities.*

Through this program, non-profit organizations in Cambridge and the Cambridge Housing Authority acquire and rehab existing buildings and/or develop new housing. The buildings become permanently affordable through the City's Affordable Housing Covenant, a long-term deed restriction.

First-time Homebuyer Program: *In FY01, Housing staff hosted 11 classes. Approximately 500 people participated in classes and 100 received one-on-one counseling.*

Through this program, the City offers first-time homebuyer education and counseling. City Housing Staff worked with residents to help them gain access to special mortgage products such as the Soft Second Loan Program and Purchaser Assistance funds. During FY2001, the City applied to the State's HOME program and was awarded \$106,000 for the Cambridge Homebuyer Purchaser Assistance Program. The funds will be used to help eligible first-time homebuyers with down payment or closing costs.

Preservation of Expiring Use Restriction Properties: *In April 2000, the City successfully negotiated the long-term preservation of 504 expiring use units at Fresh Pond Apartments. The City is currently working with 2 owners to preserve additional 282 units at Walden Square and Cast Apartments.*

In order to preserve federally-assisted rental housing, this program provides technical and financial assistance to tenants and landlords of properties that are in danger of being converted to market rate housing. In Fall 2000, the City successfully negotiated the affordability in perpetuity of 240 units at the Walden Square Apartment complex through an agreement between the residents and owner.

Affordable Housing Rehab Loan Program: *CNAHS is working with 3 owners to rehabilitate 17 units. To date, these owners have not yet closed on their financing.* In collaboration with the Cambridge Neighborhood Apartment Housing Services, Inc. (CNAHS), this program provides low-interest rehabilitation financing to private owners of multifamily properties in return for a set-aside of units for low and moderate-income tenants.

Home Improvement Program (HIP): *Rehabilitated and stabilized tenants for 59 units in FY 01.*

In collaboration with Homeowners Rehab. Inc. and Just A Start, HIP is a low-interest rehabilitation loan program for low and moderate-income owners of one to four-unit buildings. Owners can use the funds to improve their buildings to meet HUD and City

building code requirements and are required to keep rents affordable.

Inclusionary and Incentive Zoning: *In FY01, the City secured 60 units with an affordable housing covenant through the Inclusionary Zoning Ordinance. The City received a linkage payment for \$124,000 to the Cambridge Affordable Housing Trust (CAHT).*

Through these innovative zoning policies, the City provides new affordable housing opportunities in mixed-income developments and leverages funds from non-residential developers in Cambridge.

Inclusionary Zoning: The Inclusionary Zoning Ordinance requires developers of any new or converted residential development with 10 or more units to provide 15% of the total number of units as affordable housing.

Incentive Zoning: The Incentive Zoning Ordinance requires that non-residential developers require a Special Permit that authorizes an increase in the permissible density or intensity of a particular use, mitigate the impact of their development through a contribution to the Affordable Housing Trust.

Other City-Sponsored Services

- *Tenant/Landlord Mediation Services:* With funding from the City, Just A Start Corporation administers a tenant/landlord Mediation Services program.
- *Tenant Organizing:* With support from the City, the Cambridge Economic Opportunity Corporation (CEOC) organizes tenants in expiring use buildings.
- *City of Cambridge Multi-Service Center:* This center provides housing search services, referrals to shelters, and limited emergency funds
- *Cambridge and Somerville Legal Services (CASLS):* CASLS provides free legal services for low-income residents.
- *Rehabilitation Assistance Program:* Cambridge continued its current level of support in FY2001 for the Rehab Assistance Program (RAP). RAP provides hands-on experience for youths in housing rehabilitation work. With \$280,000 in CDBG support from the City, over 140 youths participated in the program to rehabilitate 131 units. The program also leverages other funding sources.

Housing for Individuals with Disabilities

The City ensures that its non-profit sponsored developments comply with the American with Disabilities Act to provide handicap accessible units. In addition, the City seeks to ensure that it secures handicapped accessible units as part of the Inclusionary Zoning Ordinance. The Housing staff works closely with the Commission on Persons with Disabilities to market units to appropriate households.

The City recently committed \$560,000 of its federal HOME funds to the Cambridge Housing Authority (CHA) as part of its HOPE VI redevelopment Initiative. The funds will be used to help acquire 14 scattered-site units for young mentally disabled persons. In FY01, the CHA purchased 5 of the 14 units.

Through its partnership with, CASCAP a local non-profit housing developer and service provider, the City develop units specifically targeted to persons with mental health issues.

Worst Case Needs

The City of Cambridge requires that affordable housing developers submit a tenant marketing and selection plan. Through the “priority point” system when households apply for housing, the City and housing providers seek to address households with worst case needs. Priority is given for Cambridge residents, households with children under 18 and 6 for family-sized units (to ensure that children are appropriately housed in lead free units), and households with an emergency situation, including those paying more than 50% of their income in rent, are living in a unit that is not decent, safe and sanitary, overcrowding, or are being involuntarily displaced. A chart showing 'The Number of Households Assisted by Income Limits' is attached.

Other Actions

In the Five-Year Consolidated Plan, the City identified and addressed obstacles to developing affordable housing for the City's low-income residents, (see the discussion on Affirmatively Marketing Fair Housing). In addition, the City has identified other key areas to the successful delivery of affordable housing programs and services. These include continued collaboration among key institutional structures at the federal, state and local levels; improving public housing and resident initiatives; and evaluating and reducing lead based paint.

Institutional Structure & Enhanced Coordination

In FY2001, Cambridge continued to collaborate with and further develop its relationship with federal, state and local policy makers, funders, tenant groups, service providers, etc. This was accomplished by using both formal and informal networks that bring together public, private and nonprofit housing and service providers.

Federal

Cambridge continues to work with the U.S. Department of Housing and Urban Development (HUD) on policy, program, monitoring, and funding. In FY 2001, HUD completed a comprehensive monitoring of the City's policies and programs related to its federal funding. The City enjoyed a successful two-way process: HUD satisfied its monitoring requirements and the City was able to ensure that it was in compliance with HUD rules and regulations, addressed its questions and concerns about program management, and further develop its relationship with the local HUD representatives.

In addition, Just A Start successfully began construction on 20 unit affordable rental development. This adaptive reuse project of the former Squirrel Brand Candy Factory was made possible through the Low-Income Tax Credit program. The units will be complete and ready for occupancy in late fall.

One approach used to coordinate services is through contracts for program delivery. Cambridge Community Development has over \$1 million in annual contracts with nonprofit housing agencies for the operation of housing programs. The nonprofits both operate programs on an ongoing basis, and are invited to contribute to the City's policy and program development.

State

The City has a strong relationship with the Massachusetts Department of Housing and Community Development (DHCD). DHCD provides regular and ongoing support to the City's affordable housing development efforts.

For example, in spring 2001 Homeowner's Rehab received an award of \$220,000 through the state's Housing Stabilization Fund for the rehabilitation of six family-sized units for

their Lincoln Street project; Just A Start received \$320,000 in State HOME funds for a new eight-unit development on Cambridge Street; and the Cambridge Housing Authority received \$324,900 through the Facilities Consolidation Fund (FCF) for the acquisition of 14 scattered-site units for persons with disabilities as part of their HOPE VI program. The City also provided financial support for these projects and will receive a minimum 50 year affordability term on the units through its affordable housing agreement.

Local

Cambridge has a number of successful groups and committees that currently work together to provide an effective delivery system for affordable housing production and services throughout the city. A variety of organizations, including local housing organizations such as the Cambridge Housing Authority, Cambridge Community Development Department, the Cambridge Department of Human Service Programs (including the Multi-Service Center), and the Commission for Person with Disabilities routinely collaborate on projects (as discussed throughout this report).

The Cambridge Housing Authority (CHA) is one of the highest performing authorities in the country. The CHA works collaboratively with local non-profit housing developers to use project-base Section 8 certificates in proposed developments (significantly increasing the financial feasibility of these projects), marketing Inclusionary Zoning units to very low-income households with Section 8 Certificates, and supporting the City's housing initiatives by attending public outreach events. The City also supports the CHA's housing acquisition efforts. In FY 2001, the City provided \$2,350,000 in Trust funds to the CHA for the Acquisition of 65 affordable rental units at Lancaster Street.

The City of Cambridge Multi-Service Center is a multi-service center that offers a wide range of services from homelessness prevention, emergency shelters, transitional housing, to emergency funds. Both the Community Development Department and Human Service Department communicate and collaborate regularly to try and serve as wide a range of persons as possible throughout the City.

Since 1995, the Affordable Housing Development Working Group has met regularly to coordinate affordable housing development projects throughout the City. This group is made up of staff from the Community Development Department, the Cambridge Housing Authority, Just A Start Corporation, Homeowner's Rehab, Inc. and CASCAP.

The City's Affordable Housing Trust is a nine-member independent City board comprised of experts in the fields of affordable housing policy and finance, banking, real estate, housing development, and housing advocacy. The Trust serves as both a policy advisory board and the loan committee for new development projects. In FY01, the City Council appropriated \$4.5 million in support of housing development.

Cambridge has a Fair Housing Committee and Homeless Steering Committee that are also active in initiating educational and outreach programs to further fair housing. As required by HUD, the Community Development Department is in the process of completing its Fair Housing Plan for FY 2002, which consists of an Analysis of

Impediments to Fair Housing, an Action Plan to address impediments and a system for maintaining records and fulfilling reporting requirements. The plan was last developed in 1998 and updated in 2000 in conjunction with many City departments including: the Human Rights Commission; the Cambridge Commission for Persons with Disabilities; the City Assessor's Office; the City's Affirmative Action Office; the Department of Human Services Programs and the Cambridge Housing Authority, as well as with nonprofit groups such as Homeowner's Rehab, Inc., Just A Start Corporation, CASCAP, and CASPAR.

Most importantly, the City has strong working relationships with neighborhood groups and housing advocates that support affordable housing development in the City. Local support for housing has been one of the central factors contributing to housing developers and service providers' success.

Public Housing Improvement and Resident Initiatives

This past year, the Cambridge Housing Authority (CHA) continued its participation in HUD's Moving To Work Deregulation Demonstration program (MTW), as one of a handful of housing authorities with a comprehensive program taking advantage of the significant regulatory and fiscal flexibility the Demonstration allows. MTW helped facilitate the CHA's progress on a number of important fronts:

Preservation of Current Public Housing Stock

CHA places a particular emphasis on modernization and extraordinary maintenance, in order to preserve and improve the current public housing stock, as it continues to view the preservation and continued viability and quality of the in-place stock as the most fundamental mission of the Authority. The past year saw an ambitious schedule for modernization and extraordinary maintenance project planning and management.

Elderly Housing Issues

Work continues on two projects that will go far to ensure affordable housing options for seniors: the HOPE VI redevelopment of Kennedy Apartments, which will include two floors of affordable assisted living and off-site scattered program condos for the young disabled; and, the redevelopment of the City's former nursing home, Neville Manor into an assisted living facility with a majority of affordable units and the planned construction of a new nursing facility, again with guaranteed affordability.

Ongoing effort to develop Local Leased Housing program/Tenant Preservation Program

CHA's Local Leased Housing (Section 8) program continues to be successful, preserving the program and making slight increases in utilization in the face of significant market challenges. Specific initiatives undertaken in the last year to encourage success of the program include:

Leased Housing Program Marketing and Outreach

Direct outreach and overall marketing efforts to Landlords, which has been an important element in the program's success

Project Based Leased Housing Assistance

Project Based Assistance continues to be a vital resource for affordable housing development and preservation in the City. The CHA currently preserves affordability through in place subsidies of 146 units of Project Based assistance and additional 178 are under agreement, and 64 are pending, for a total of 388.

Preservation and Viability of the MRVP Program

CHA is using its MTW flexibility to augment this state program; these subsidies would otherwise be at high risk for loss.

Ongoing Development Activities

CHA, through its non-profit affiliate, and with technical and financial support from the City's housing staff, has developed 80 units of permanently affordable housing since the beginning of the Demonstration two years ago (Lancaster Street and Hope VI Condos). The fundability of HUD resources provided for by MTW has been crucial in accommodating this development. These units include properties in neighborhoods that formerly had no significant public or affordable housing presence.

Implementation of Development Choice

CHA provides residents the option to state a preference for the developments in which they want to live, replacing the arbitrary first unit available assignment system practiced by most housing authorities.

State Public Housing Viability Study

A joint effort with Boston Housing and the Citizen's Housing and Planning Association, funded by a competitive grant from Harvard, resulted in an excellent assessment of the state-assisted housing stock, *PROTECTING THE COMMONWEALTH'S INVESTMENT*, as well as two pieces of resulting legislation.

CHA's waiting lists for both conventional and leased housing have increased over the past year, underscoring the significant need for affordable housing in the area. Initiatives around rent policies, income diversification, and deconcentration continue to be successful elements of the MTW program. In the past year the Authority has also revised its Leased Housing (Section 8) Administrative Plan. Performance on conventional HUD indicators such as inspections, work orders, rent collection, security and vacancy rate continue to be very strong for the conventional program, and equally strong in leased housing in terms of program performance and inspections.

The CHA's Work Force Youth Unemployment Prevention Program won a prestigious Best Practice Award in Youth Development Services from the Massachusetts

Cooperation for Business, Work and Learning this year. The program, an innovative effort combining life, work and educational skills training, continues to provide CHA youth with mentorship and support to encourage them to strengthen their own individual skills to break the cycle of poverty. Adult programs (primarily funded through HUD EDSS and ROSS monies), including partnerships with a local community college, job counseling and computer and English as a Second Language classes, continue to encourage CHA residents – most of whom are employed – to move to better work.

The City's Housing Authority takes very seriously the need to involve its residents in the management and operation of its public housing. During FY2001, it continued to require resident involvement in the hiring of all prospective CHA employees, and in the tenant grievance process. CHA holds Grievance Panel hearings for any CHA resident who feels that a decision made regarding his/her residency is in error. Examples of such hearings include reviews of eviction proceedings, rent determination, transfer requests, and numerous other resident issues. At all Grievance Panel hearings there must be 2 tenant representatives present who have an equal vote of recommendation along with a CHA Commissioner, CHA staff member, and an impartial Cambridge resident who serves as the Panel's chair.

CHA Tenant Councils are organized at nearly all Federal developments. Most hold regular meetings to discuss various ways in which they can participate in making their developments better places in which to live and they meet regularly with the CHA management staff. Many CHA residents are also involved in leadership roles in public housing tenant organizations on the state and national level. Two CHA residents currently sit on the CHA's five member Board of Commissioners.

Evaluate & Reduce Lead Based Paint Hazards: Lead-Safe Cambridge Program

In July 1994, Cambridge was awarded a \$3.3 million grant by HUD for lead paint abatement and poisoning prevention. The City matched this award with \$875,000 in in-kind donations, bringing the total program funding to \$4.2 million. In May 1997, Cambridge was awarded a \$2.17 million Round 4 grant by HUD to expand and continue its lead abatement and poisoning prevention efforts. The City also matched this award with \$2.55 million in local contributions. In December 1999, Cambridge received a Round 7 grant of \$2.77 million to continue its efforts. The City will match this award with \$2.56 million in local contributions.

Lead-Safe Cambridge hopes to achieve two major policy goals they are, increasing access to affordable lead-safe housing for poor families, and preventing the lead poisoning of Cambridge children. To date the program has deleaded 390 units of affordable housing. Thirty percent (30%) of all Round two (2) units and forty-seven percent (47%) of all Round four (4) units have been joint deleading and housing rehabilitation projects. During FY01, very low and low income households received direct services expending \$916,529. Sixty-one (61) households received comprehensive lead hazard control, temporary relocation, medical, soil testing and mitigation, and

patient education services. An additional 239 units received program monitoring services. LSC outreach efforts served 10,646 individuals through a range of presentations, community events, and workshops.

In 1999, Lead-Safe Cambridge received the American Society of Landscape Architects (ASLA) Merit Award for its creative work on lead in soil. LSC's "Safer Soil" project was recognized for its innovative approach to addressing an environmental problem through landscape design.

In 2000, Lead-Safe Cambridge received the "2000 HUD Best Practices Award of Excellence" for its work in creating affordable lead-safe housing and reducing lead poisoning rates in Cambridge.

Leveraging Resources

The investment of federal CDBG and HOME funds in Affordable Housing Programs in FY2001 totaled \$1,805,990 and leveraged \$35,438,061 in other public and private resources. The following are a list of all funding secured in FY2001 to meet objectives identified in the Five-Year Consolidated Plan.

Funding Sources and Funds Leveraged FY2001

Boston Community Capital	\$ 229,500
Cambridge Affordable Housing Trust	\$ 9,279,315
Cambridge Affordable Housing Trust (Harvard Loan Fund)	\$ 1,990,000
Cambridge Housing Authority (CHA)	\$ 3,501,273
Cambridge Neighborhood Apartment Housing Services (CNAHS)	\$ 620,000
Cambridge Trust Company	\$ 781,700
Community Economic Development Assistance Corp. (CEDAC)	\$ 403,456
Department of Housing Community Development (DHCD)	
- <i>Housing Innovative Fund</i>	\$ 330,000
- <i>Housing Stabilization Funds</i>	\$ 220,000
- <i>Facilities Consolidation Fund (FCF)</i>	\$ 324,900
- <i>State HOME</i>	\$ 440,000
East Cambridge Savings Bank	\$ 5,233,198
Federal Home Loan Bank	\$ 133,930
Harvard University Help Loan Fund (HELP)	\$ 220,000
Local Initiative Support Corporation (LISC)	\$ 348,789
Massachusetts Housing Partnership Fund (MHPF)	\$ 650,000
Massachusetts Institute of Technology (MIT)	\$ 320,000
Neighborhood Reinvestment Corporation	\$ 330,000
Other Private Lenders	\$ 682,000
Sidney A. Bedrick	\$ 9,400,000
TOTAL	\$35,438,061

The City of Cambridge, through its CDBG and ESG programs, contributes to the operating costs of various shelters, transitional and permanent housing via subcontracts. Funds provided under these subcontracts represent a small proportion of the agencies' operating budgets that are funded primarily from other sources. However, these contributions do represent an important source of funding, and also leverage a substantial amount of other private and public funds.

Self Evaluation

The City of Cambridge has a multi-faceted approach to delivering affordable housing to its residents. Given the costs and supply of housing, limited availability of subsidy, competing pressure for land uses, and pressure to keep the density of new development low opportunities for preserving or creating affordable housing continue to be challenging. As demonstrated in this report, the City's housing service providers, committees, and residents continue to collaborate on new development initiatives.

The City's achievements in fiscal year 2001 have been assessed throughout this narrative. Areas addressed includes preservation of units with expiring affordability restrictions, units receiving funding from the City for affordable housing, number of units enrolled in the Home Improvement Program, number of residents served through outreach events, and public inquiries fielded by staff.

The units to which the City has committed funding are in various stages of development, some have closed their financing, and others are still in the predevelopment stage. In all cases, the non-profit agencies have site control and are assembling financing. The following chart summarizes our achievements in Fiscal Year 2001.

Assessment of Accomplishments	FY 2001 Projected	FY 2001 Achieved	5-Year Projection In Consolidated Plan	Comments
Obj 1: Preservation of affordable units	282	282	399	<ul style="list-style-type: none"> ▪ Walden Square: 240 Units ▪ Cast: 42 Units
Obj 2: Creation of new rental units	110	201	248	<ul style="list-style-type: none"> ▪ 141 Developed ▪ 60 Inclusionary units
Obj 3: Creation of New Homeownership Units	15	0	180	
Obj 4: Stabilize 1-4 owner occupied Buildings	80	59	250	
Public Outreach; Residents Inquires Fielded	1,200	2,790	N/A	<ul style="list-style-type: none"> ▪ Phone & one-on-one meetings ▪ Community Meetings on Affordable Housing
First-Time Home Buyer & Counseling Participants	625	600	N/A	
Rehabilitation Assistance Program: # of Units Assisted & Youths Participating	150	271	N/A	<ul style="list-style-type: none"> ▪ 141 Youths Participated ▪ 131 Units Rehabilitated

HOME Narrative

Overview of HOME Program in Cambridge

The City of Cambridge is an entitlement community that receives funds under a grant agreement with the United States Department of Housing and Urban Development (HUD) for the HOME Program. Since 1993, close to 184 HOME-assisted affordable rental and homeownership units have been created through funding from the City's entitlement HOME funds. To date, the City has received \$7,092,000 in HOME funds, and anticipates receiving \$885,000 for FY2002.

With the HOME funds it receives from HUD, the City will provide loans to support the acquisition, new construction, and rehabilitation of eligible affordable rental and homeownership housing units. As required by HUD, 15% of the City's HOME funds are used specifically to support local Community Housing Development Organizations (CHDOs), to create affordable rental and homeownership developments. The City's HOME Coordinator staff position is also funded through this grant. In fiscal year 2001, the City received \$796,000 in HOME funds. These funds were used to fund a range of developments serving diverse populations.

FY2001: HOME Development Projects

Lancaster Street Apartments

- Developed by the Cambridge Affordable Housing Corporation (CAHC), a non-profit subsidiary of the Cambridge Housing Authority (CHA), acquisition of this 65-unit formerly rent controlled building was made possible through a public and private partnership, and was funded in part with \$245,550 in HOME funds. A creative funding strategy, including funds from the CHA, Cambridge Affordable Housing Trust, and the Harvard Loan funds, made acquiring the property possible.

Cambridge Housing Authority (CHA) Hope VI Condos

- The Cambridge Housing Authority (CHA) received a set-a-side \$560,000 in HOME funds to be used in the acquisition of 14 scattered site condominium units to house young disabled individuals. In FY 2001, five (5) of these units were purchased. Over the last 5 years, there has been a dramatic increase in the number of disabled applicants on the CHA's waiting list for handicap accessible units. The units are being acquired in an effort to both preserve the stock of affordable housing, and provide options for younger disabled persons. The CHA has partnered with the Cambridge and Somerville Cooperative Apartment Program (CASCAP) to manage the supportive services programming for the residents of the condominiums. This project is a major component of the revitalization plan of the John F. Kennedy Apartments, an 83 unit federally-funded housing development for the elderly.

Harvard Street

- The Harvard Street project is a development requiring the substantial rehabilitation of a building that will create 3 affordable homeownership units to be sold to families under 80% of the area median income. The units will remain affordable for 99 years through a deed restriction legally enforced by the City of Cambridge. The project will provide new affordable homeownership opportunities for families who would otherwise be priced out of the Cambridge housing market. The project is being developed by Just A Start Corporation and received \$75,000 in HOME funds from the City. An Affirmative Marketing Plan is in place to ensure that the units are marketed to the most needy households.

Transition House

- Transition House is a group home shelter for battered women and children and consist of eleven (11) bedrooms. The project was funded with HOME and other public and private resources and will be substantially rehabilitated. Three of the units are designated HOME-assisted units and will house persons at or below 80% of the area median income. More specifically, 2 rooms will be rented to tenants with incomes at or below 60% of the area median income and at least 1 room will be rented to a tenant whose income is at or below 50% of the area median income. This agreement is enforced via a deed restriction in the Affordable Housing Agreement and requires a period of affordability of not less than fifty (50) years. It received \$167,000 in HOME funds from the City.

Cambridge Street

- The City provided \$267,685 in HOME funds to Just A Start (JAS) to assist with financing the acquisition and development of the former burnt out Cambridge Street Curtain Store property in Cambridge. The site will be developed into eight (8) new family sized rental HOME-assisted units.

HOME Match Report

HUD Form 40107-A is attached

A Participating Jurisdiction is required to match 25% of the amount drawn down for HOME projects during the federal fiscal year. The City of Cambridge closed HOME loans on five (5) projects in FY 2001, totaling \$1,315,193. With these funds an additional \$ 8,351,742 in matching dollars were leveraged from public and private sources. According to HUD's Integrated Disbursement Information System (IDIS), HOME funds drawn from the U.S. Treasury for projects in FY2001 (HUD's federal FY2000) totaled \$657,291.58 resulting in our match liability being \$164,322.89. Funds that do not require a match include those used for administrative costs, CHDO operating expenses, CHDO capacity building, and seed money or technical assistance loans where the project did not go forward.

As outlined in the Five-Year Consolidated Plan the City anticipated and successfully leveraged funds from federal, State, City, and private entities, successfully securing

match funds in excess of \$17,685,238.40. The completed HOME Match Report form HUD 40107-A is attached.

Onsite-Inspections

In the spring and summer of 2001, the City comprehensively monitored its development portfolio. Approximately 192 HOME-assisted rental units were monitored comprehensively to ensure that rent, occupancy, and property standard requirements were being maintained. Owners were required to submit a 'Project Compliance Report' for each property, and then an on-site inspection was conducted. The reports were then reviewed for compliance. All units monitored were in compliance with HUD regulations, and rental units were affordable to low and very-low income households. The City will continue to employ its annual monitoring plan and will continue to conduct site visits based on the schedule provided by HUD.

Minority and Women's Business Enterprise (MWBE Report)

As stipulated by HUD in regulation 24 CFR Part 84, the City includes in its contract agreements requirements that developers make a good faith effort to involve minority and women owned businesses as contractors and subcontractors when working on federally funded projects. During our annual monitoring and at the close of a project Developers are required to submit MWBE Report identifying minority or women contractors that they secured. In addition, if a minority contractor was not selected for their project they are required to document that efforts were made to include minorities and women in the bidding process even if they were not selected as the contractor or subcontractor. Minority contractors have already been selected for the Harvard Street and Cambridge Street projects. The contracts will total approximately \$1.9 million dollars.

Economic Development

Assessment of Goals and Objectives

Economic Development activities undertaken during this program year addressed certain goals and objectives stated in Cambridge's Five-Year Consolidated Plan (July 1, 2001 to June 30, 2005). These established specific goals and objectives are outlined as follows:

- Cultivate a supportive environment for entrepreneurship, enhance economic growth by cultivating small businesses and working with businesses who want to relocate to Cambridge. A combination of Federal and Local funds to be used to reach the following goals: 5-year goals: Businesses receiving assistance 3,702 funding resources to pay staff salaries, consultants, and outreach materials. Annual Performance Goals/20 businesses;
- Market Cambridge as a location for business. A combination of Federal and Local funds to be used for staff salaries, consultants and marketing materials. 5-year goals: Brochures 4,400, Business Contacts 100;
- Support efforts to sustain a diverse array of employment opportunities accessible to well-trained Cambridge workers by serving on Regional Employment Board, Office for Workforce Development Business Advisory Board and working with the Cambridge schools to increase understanding about the Cambridge economy. Federal and Local funds to be used for staff salaries. 5-year goals: N/A;
- Increase access to capital by small business. Federal and Local funds to be used for staff salaries to oversee this project and to maintain the loan fund. 5-year goals: Marketing contacts 4,000, Loans analyzed 100, Loan candidates receiving assistance with business matters 150, Loan candidates receiving financial assistance other than the loan fund 30 and Companies assisted with strategies and referral to conventional sources of funds 400. Annual Performance Goals/2 businesses;
- Promote a real estate market that offers a diverse array of options for the development and leasing of business properties of different sizes, use categories and price ranges. Local funds to be used for staff salaries and for marketing materials. 5-year goals: Real Estate Brokers provided with information 250;
- Promote thriving retail districts. Federal and Local funds to be used for staff salaries and to financially support the Best Business Practice Program. 5-year goals: Businesses served 60. Annual Performance Goals/5 businesses.

During the 7/1/00-6/31/01 CAPER reporting period, the primary activities undertaken from the above list of five-year goals involved promoting thriving retail districts by initiating design and development of a Best Practices Program for eligible

microenterprise retailers and restaurateurs in the Central Square business district. Began lease negotiations for space in Holmes block building to house small business incubator to support entrepreneurship and enhance economic growth, and promoted a real estate market that offers a diverse array of options for the development and leasing of business properties of different sizes, use categories and price ranges.

Retail Best Practices Program

Designed and developed a program for low-moderate income eligible microenterprise retailers and restaurateurs in the Central Square business district to improve their retail practices. The goal of the program is to generate economic revitalization by educating these small retailers about the best practices used in their industry, and by offering technical assistance to help them improve the appearance and operational efficiency of their stores.

During the current reporting period, the program was designed and developed and a request for proposals was issued for a consultant to firms with expertise in this field. None of the \$55,000 allocated to this period was used. Cambridge anticipates hiring a consultant in early FY02 and implementing the program in the second quarter of FY02. We anticipate the program will be ninety percent completed by the end of FY02.

Loan Fund-Incubator

Two proposed commercial buildings, one to house a business incubator, Holmes block building in Central Square, and one to house a theater with two theater tenants, experienced delays in development and construction in the current reporting period. The occupancy of the business incubator and theater represent only a portion of each building. Therefore, the City had no control over the overall progress of the projects. Plans for the business incubator are to house three to four micro-enterprise low-moderate income retail businesses. Plans for the building housing the theaters are for historic preservation of a blighted building in Central Square.

None of the \$150,000 allocated for this period was expended due to delays in development and construction. The Economic Development Division will continue to promote eligible projects as they are developed.

Cambridge Business Development Center (CBDC)

The Cambridge Business Development Center is a non-profit organization dedicated to helping people start and grow successful and profitable businesses by providing mentoring and educational programs tailored to the ways entrepreneurs learn.

The Center experienced dramatic changes during the reporting period. A new executive director was hired, and there was a change in staffing of the two full-time employees. The CBDC did not meet their goal for the reporting period of helping twenty micro-enterprise low-moderate income businesses due to a misunderstanding of the HUD income-eligibility regulations. Consequently the \$70,000 of CDBG funds allocated for the reporting period were replaced with tax dollars. With technical assistance from HUD's Field Office, the City is working closely with CBDC to explain and clarify to CBDC staff the HUD regulations for the use of CDBG funds to service eligible clientele and to direct the organization to maintain proper records so that CDBG funds are utilized properly in the next reporting period.

Leveraging Resources

Loan Funds-Incubator

\$4,700,000 hard construction cost, \$818,000 in loans/gifts that Nora or Underground RR need to raise

The City plans to provide a \$200,000 loan to the Nora and Underground Railroad Theaters for their portion of the historic preservation of a blighted building in Central Square. The theaters are required by the developer to raise in loans and gifts a total of \$818,000. The City's \$200,000 constitutes a portion of the total and is being used to leverage raising the additional \$618,000.

Cambridge Business Development Center (CBDC)

The City provides \$70,000 in Block Grant funds, leveraging the Center's \$150,000 budget. Other sources of funds are derived primarily from private industry, including banks and large employers in the City [Cambridge Savings Bank \$22,000].

Community Planning

Assessment of Goals and Objectives

Community Planning activities undertaken during this program year addressed certain goals and objectives stated in Cambridge's Five-Year Consolidated Plan (July 1, 2001 to June 30, 2005). These established specific goals and objectives are outlined as follows:

- Provide high quality technical assistance to staff members, the City, and residents. Continue to provide support for all departments operations. Federal, State and Local funds. 5-year goals: 60 staff members receiving assistance. Annual goals: 15 staff members receiving assistance
- Provide public with information on planning and zoning. Federal and Local Funds. 5-year goals: 4000 people served. Annual goals: 1660 people served.
- Work with neighborhood groups, residents, property owners, developers and other City departments and state agencies on urban design plans and proposed developments. Federal and Local funds. 5-year goals: 750 meetings with groups. Annual goals: 150 meetings with groups.
- Develop, implement and review urban design improvements and master plans. Federal and Local funds. 5-year goals: 50 projects to be reviewed. Annual goals: 18 projects to be reviewed.
- Staff and assist Planning Board. Federal and Local funds. 5-year goals: 150 meetings assisted. Annual goals: 36 meetings.
- Provide parks, playgrounds and recreation site with design and construction supervision services. Federal and Local funds. 5-year goals: 25 park renovations, 35 projects receiving technical assistance. Annual goals: 5 park renovations and 6 projects to receive technical assistance.
- Ton increase the quality and availability of planning-related information to staff, other City departments, residents, property owners, developers, state and federal agencies. Federal and Local funds: 5-year goals: 250 GIS maps, 500 presentations, project and program materials, 20 major department initiatives including open space database. Annual goals: 75 GIS maps, 100 presentations. Project and program materials, 4 major department initiatives.

During the 7/1/00-6/31/01 CAPER reporting period, the primary activities undertaken from the above list of five-year goals involved providing high quality technical assistance to staff members, the City and residents for all department operations. Providing the public with information on planning and zoning through phone calls, mailings, brochures, website and office visits. Staff and assist the Planning Board. Activities also included working with neighborhood groups, residents, property owners, developers and other City departments and state agencies on urban design plans and proposed developments and also developing, implementing and reviewing urban design improvements and master plans. Providing parks, playgrounds and recreation sites with design and construction services. Increasing the quality and availability of planning-related information through the Community Planning website.

Citywide Rezoning

Working with the Planning Board and City Council, completed comprehensive Citywide Rezoning which achieved citywide density reductions, permanent citywide project review and new housing districts. Prepared and mailed bulletin describing proposed rezoning to all property owners in the city and conducted series of public information workshops. Zoning adopted by City Council February 12, 2001.

Cambridge Zoning Ordinance

Completed full updating and text integration of Cambridge Zoning Ordinance and provided full web access and download capabilities.

Eastern Cambridge Planning Study (ECaPS)

Completed Eastern Cambridge Planning Study containing long-range goals and plans for future development in the eastern portion of the city. Working with consultant team and city staff, met monthly with 18 member committee over 12 month period and conducted a series of public workshops to develop recommendations addressing land use, zoning, urban design, open space, transportation, housing and economic development. Submitted rezoning proposals from the Eastern Cambridge Planning Committee to the Planning Board, including housing and mixed-use incentives, FAR (density) changes, transfer of development rights and design guidelines.

Riverside Planning Study

Initiated Riverside Planning Study for area defined by Loose Petition Moratorium. Formed advisory committee of residents, business representatives and institutions and hired consultant team to guide planning study efforts. Initiated advisory committee meetings and began documenting existing and future conditions in study area.

Open Space/Playground Renovations

The King School Playground project also became CDBG eligible and funds have been allocated to begin this project; design complete. The Kennedy School Playground is scheduled to start August 2001 and be completed for the re-opening of the school year in September. The Cambridgeport Park Project continues to be on hold while the Trust for

Public Land negotiates its way through relocation and environmental issues. It is anticipated that this issue will be resolved within the near future.

Leveraging the Resources

CDBG budgeted and spent \$696,010 (56%) on the above mentioned FY01 Projects while \$554,855 (44%) from City taxes was also was expedited.

Department of Human Services

Assessment of Goals and Objectives

The Department of Human Service Programs continued to operate or support many programs that addressed human service needs in the City of Cambridge during FY 2001. On April 5, 2000, the Cambridge Human Services Commission (a citizens' advisory board) held its annual CDBG public hearing to identify human service needs in the city. Based on the testimony and the Commission's recommendations, funding priorities were established for FY 2001 CDBG funding. The Fiscal year 2001 action plan was submitted in May of 2000, prior to the CDBG public service contracts being finalized. Funding was allocated to 5 categories of service: youth and family, linguistic minorities, homelessness, domestic violence, food pantry services, elderly and disabled.

Community Development Objective

- Improve the quality of Public Services.

Public Service Objective

- Improve the quality of life for Cambridge residents by creating and coordinating public services.

Update on Fiscal 2001 Activities

Public Services

- *(Workforce Development)*
To increase job placements and employment referrals for adult residents of Cambridge. Federal, Local and State funds. 5-year goals: 500 CEP education, training and job placements, 3500 leads in the Jobs Consortium. Annual goals: 120 CEP education, training and job placements and 600 leads in the Jobs Consortium.
Update: 147 placements made and 640 leads in the job consortium
- *(Planning and Development)*
Provide services to the Multi-Service Center homeless individuals and those at risk of homelessness. Federal, State and Local funds. 5-year goals: 10,000 clients receiving services, 750 clients placed in transitional housing, 900 clients placed in permanent housing and 450 clients maintained in housing. Annual goals: 2000 clients to receive services, 150 clients to be placed in transitional housing, 175 clients placed in permanent housing and 75 clients maintained in current housing.
Update: 2269 clients received services, 237 placed in transitional housing, 129 placed in permanent housing, 141 maintained housing.

- (Planning and Development)*
 Provide homeless prevention counseling and housing search for homeless families and those at risk of homelessness. Federal, State and Local funds. 5-year goals: 800 family intakes, 450 families placed in housing, 2000 family referrals, 400 families maintained in housing. Annual goals: 175 family intakes, 90 families placed in housing, 350 family referrals, 75 families maintained in housing.
Update: 416 family intakes, 84 families placed in housing, 542 referrals made, 208 maintained in housing.
- (Planning and Development)*
 Contracting service to providers to serve disadvantaged residents. Federal, State and Local funds. 5-year goals: 6500 clients served through youth and family programs, 2500 clients served through domestic violence and abuse prevention programs, 4000 clients served through linguistic minority programs, 43,000 clients served through food pantry programs, 12,000 clients served through homelessness prevention programs, 2500 clients served through elderly and disabled programs. Annual goals: 1300 clients served through youth and family programs, 500 clients served through domestic violence and abuse prevention programs, 875 clients served through linguistic minority programs, 8500 clients served through food pantry program, 2500 clients served through homelessness prevention programs, 575 clients served through elderly and disabled programs.
Update: 1430 persons served through youth and family programs, 472 through domestic violence programs, 792 through linguistic minority programs, 6890 through food pantry programs, 2242 through homeless prevention programs, 675 through elderly and disabled programs.
- (Childcare & Family Services)*
 Expand childcare staff knowledge of state-of-the-art practices in parent support techniques and in building children's literacy skills. State and Local funds. 5-year goals: 20 training sessions. Annual goals: 4 training sessions.
Update: 4 training sessions held.
- (Community Learning Center)*
 Continue the number of adult literacy and English as a Second Language classes and instructional hours. State and Local funds. 5-year goals: 400 school year classes, 55,000 school year instructional hours, 3500 school year student slots, 180 summer classes, 15 family literacy classes, 10 citizenship classes, 6000 students served. Annual goals: 81 school year classes, 11,500 school year instructional hours, 715 school year students slots, 36 summer classes, 3 family literacy classes, 2 citizenship classes, 1150 students served.
Update: 89 school year classes, 11,595 instructional hours, 762 school year student slots, 38 summer classes, 5 family literacy classes, 2 citizenship classes and 1,129 students served.
- (Community Learning Center)*
 Improve transition from CLC programs to other education and training programs.

State and Local funds. 5-year goals: 450 students served, 100 workshops, 400 follow ups. Annual goals: 90 students served, 20 workshops, 80 follow ups.
Update: 124 students served, 32 workshops and 152 follow ups.

Youth Services

- *(Public Services – Youth)*
Provide out-of-school programs, summer and vacation camps. State and Local funds. 5-year goals: 5800 classes, 80 summer camps, 4500 youth in summer camps, 35 school vacation camps, 500 youths in CIT programs, 40 after school sports programs. Annual goals: 1150 classes, 16 summer camps, 900 youth in summer camps, 6 school vacation camps, 100 youth in CIT programs, 8 after school sports programs.
Update: 1,307 classes, 14 summer camps, 937 youth at camps, 9 school vacation camps, 130 youth in CIT programs.
- *(Public Services – Youth)*
Training for staff and residents in domestic violence prevention and assist in outreach programs. State and Local funds. 5-year goals: 200 meetings. Annual goals: 45 meetings.
Update: 45 meetings held.
- *(Public Services – Youth)*
Assist youth in transition from school to further education or employment. Federal, State and Local funding. 5-year goals: 300 students served, 100 education staff engaged in school-to-career initiatives, 100 employers and community based agencies engaged in school-to-career initiatives. Annual goals: 65 students served, 20 education staff engaged in school-to-career initiatives, 20 employers and community based agencies engaged in school to career initiatives.
Update: 89 students served, 12 staff in school-to-career initiative, and 21 employees involved in the same program.
- *(Public Services – Youth)*
Improve career awareness and work readiness. Federal, State and Local funding. 5-year goals: 3500 youths served, 1100 summer and school year jobs, 75 employers participating in career awareness activities. Annual goals: 700 youths served, 220 summer and school year jobs, 15 employers participating in career awareness activities.
Update: 945 youth served, 175 summer and school year jobs, 7 employers involved with career awareness activities.

Senior Services

- *(Public Services – Senior)*
Provide comprehensive array of social and support services to Cambridge seniors. State and Local funds. 5-year goals: 12,500 seniors receiving referrals services and information, 2500 seniors receiving case management services. Annual goals: 2800 seniors receiving referrals and information, 525 seniors receiving case management services.

Update: 4,226 persons receiving information and referrals, 968 receiving case management services.

- *(Public Services – Senior)*
Operate Social Meals program and expand Food Pantry outreach. State and Local funds. 5-year goals: 24,000 seniors receiving Food Pantry services, 150,000 meals served at Senior Centers. Annual goals: 4800 seniors receiving Food Pantry services, 30,000 meals served at Senior Centers.
Update: 4,423 visits to the food pantry (263 individuals), 34,935 meals served,
- *(Public Services – Senior)*
Transportation services for seniors. State and Local funds. 5-year goals: 5800 seniors served. Annual goals: 1200 seniors served.
Update: 1,015 seniors served.
- *(Public Services – Senior)*
Coordinate provision of a series of home-based services to isolated seniors. Local and State funds. 5-year goals: 50 outreach connections, 250 seniors served. Annual goals: 10 outreach connections, 50 seniors served.
Update: 44 seniors served.

Continuum of Care Narrative

Homelessness Objectives

- Provide a variety of housing options, with services, for homeless individuals and families. Support the development of housing at appropriate sites, at a scale that ensures neighborhood compatibility. Ensure the provision of adequate on site services.
- Prevent extremely low and low income families and individuals from becoming homeless.
- Address emergency shelter and transitional housing needs of homeless individuals and families with children.
- Help homeless persons, including persons with special needs, make the transition to permanent housing and independent living.

Continuum of Care Objectives

- To sustain and expand efforts to prevent homelessness, so that as few as possible individuals and families become homeless.
- To maintain and expand access of homeless persons to programs and services which can meet their basic human needs, so that to the extent that they are willing to accept such assistance, every homeless individual and family has, at a minimum a safe place to sleep, food, clothing and necessary health care.

- To maximize the number of homeless individuals/families who, with the help of resources available through the Cambridge Continuum of Care, are able to obtain housing and develop the necessary skills, resources and self-confidence to sustain that housing and maximize their self-determination.

The Cambridge Continuum of Care continued to be an active planning entity for homeless service planning and coordination. Monthly meetings were attended by service providers and consumers to identify needs and gaps in available services. The City was the lead agency for the Supernofa application and used the monthly meetings to gather input and set priorities. McKinney Supportive Housing Program funds were contracted out to local sponsors. There were 22 active Supportive Housing Program contracts during FY 2001. They provided for services such as: transitional housing beds, legal and representative payee services, drop in centers, street outreach and case management. The 2000 Supernofa submission resulted in awards totaling \$1,423,416 in December of 2000 for a range of housing and supportive services, including the second permanent housing with supportive services project since the Continuum came into existence. Over the 12 month period, 90 individuals and 28 families moved through the Continuum to live in permanent housing.

Multi-Service Center

The City run Multi-Service Center (MSC) provided homelessness prevention activities, assistance securing housing, legal services to help maintain tenancy and related services to individuals and families at risk of becoming homeless. The MSC has participated on regional discharge planning committees to help address the issue of homelessness after a medical or psychiatric hospital stay.

City funds : **\$248,870**

CDBG funds: **\$122,940**

Housing Assistance Program

The Homeless Assistance Program (HAP) uses State Department of Transitional Assistance funding for homelessness prevention services. This operates from the MSC. A \$144,375 contract with CAPIC of Chelsea, funds HAP staff. \$137,148 was spent in FY 2001.

Massachusetts Housing and Shelter Alliance

The Massachusetts Housing and Shelter Alliance (MHSA) contracted \$91,613 to MSC to fund staff working in transitional living programs. All funds were spent in FY 2001.

ESG

\$103,087 expended during FY 2001 to help meet the operating costs of shelters in Cambridge. See attached lists for program specific information.

ESG Funds Awarded by the City of Cambridge in FY 2001

Shelter Inc.

The women's drop in provides day-time support and services to homeless women. It is primarily a safe-haven to help this vulnerable population off the streets. Services include:

- Crisis intervention
- One-on-one counseling
- Weekly visits from Health Care for the Homeless
- Referrals for mental health, substance abuse, tertiary health care, job, training, legal services, and housing search

The FY2001 ESG will fund operating costs including salaries for the program coordinator and specialist, food and training.

ESG	FY 2000	FY 2001
Project	Women's Day Drop-In	Women's Day Drop-In
Amount	\$42,000	\$34,500

Notes for this Year's Funding

CASPAR

A 24-hour, warm, inviting shelter open to men and women in Cambridge who are ineligible for other shelter services because of their active substance abuse. The shelter has on-site primary health care four times a week. Due to increased demand, CASPAR has increased capacity by 50% in one year- now over 107 people use the shelter a day. The FY 2001 grant is for operating costs specifically food, maintenance, and utilities.

ESG	FY 2000	FY 2001
Project	Wet Shelter	Wet shelter
Amount	\$18,000	\$17,500

Hildebrand

The Hildebrand provides emergency shelter for 34 families, 14 of whom are sheltered in Cambridge. The 24 hour shelter on Bishop Allen Drive is in need of extensive renovations, and the FY 2001 ESG funds will renovate a bathroom and exit doors to be used by homeless families.

ESG	FY 2000	FY 2001
Project	Family Shelter	Family Shelter
Amount	\$8,500	\$8,500

Bread & Jams

Bread & Jams is a process oriented non-profit run by formerly homeless for the homeless. Those currently homeless are key stakeholders in the organization, and participate in the decision making process. This ESG is to provide van service for the homeless individuals (most are men) who use their drop in service. The van services transport clients to shelters for the night in Boston and other locations.

ESG	FY 2000	FY 2001
Project	Van Service	Van Service

Amount	\$10,000	\$15,000
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Salvation Army

The Salvation Army operates a shelter open year round for up to 940 homeless from the Cambridge area. This grant for utilities will enable the shelter to be a more inviting place for clients as reading lights and importantly the heat will be left on during the day in the winter.

ESG	FY 2000	FY 2001
Project	Shelter for men	Shelter for men
Amount	\$7,000	\$7,000

Wayside/Shortstop

Shortstop, which was recently taken over by Wayside Youth & Family Support Network, is a community based youth shelter. It has 15 shelter beds for youths aged 8 – 17 and has added a transitional housing for 9 young adults aged 18 – 21. The FY 2001 funding is for the emergency youth shelter and will cover food, transportation and supplies.

ESG	FY 2000	FY 2001
Project	Youth Shelter	Youth Shelter
Amount	\$9,000	\$7,500

Transition House

In 1975, Transition house became the first battered women's shelter in the US, and since then it has sheltered over 5,000 women and children. It's mission is to provide refuge, supportive services, education and empowerment skills to enable battered women to achieve financial independence for themselves and their families. The FY 2001 grant is for maintenance, utilities, and furnishings.

ESG	FY 2000	FY 2001
Project	Battered Women's Shelter	Battered Women's Shelter
Amount	\$7,500	\$14,140

On the Rise

On the Rise provides a safe haven for women with extended histories of homelessness. Their new day drop in shelter is located on Broadway. The FY 2001 grant is for renovations to make their facilities handicapped accessible.

ESG	FY 2000	FY 2001
Project	Safe Haven	Safe Haven
Amount	\$4,000	\$15,000

University Lutheran

University Lutheran supports the Harvard Square Homeless Shelter on its premises, which is run by Harvard University Student volunteers through Phillips Brooks House. The entirely volunteer run facility within University Lutheran provides shelter to 23 men

and women each night through the winter. It is the only such facility in Harvard Square. The FY 2001 Grant is for renovations and a new dishwasher.

ESG	FY 2000	FY 2001
Project	Harvard Square Shelter	Harvard Square Shelter
Amount	\$5,000	\$3,000

Phillips Brooks House

The Harvard University volunteers also run St James' Summer Shelter, which is located in St. James' Episcopal Church in Porter Square. It operates at night only through the summer months, and provides dinner and breakfast. Clients can make a lunch to carry to work, receive clean clothing and transportation vouchers. The FY 2001 grant will pay for salaries and overheads.

ESG	FY 2000	FY 2001
Project	St. James' Summer Shelter	St. James' Summer Shelter
Amount	\$2,400	\$2,500

Catholic Charities

To operate St. Patrick's Shelter, which provides shelter to over 200 individual homeless women. The shelter is the only dry emergency shelter for women in the area outside of Boston. The FY 2001 grant is for salaries to cover a shift so the shelter can remain open 24 hours/day.

ESG	FY 2000	FY 2001
Project	St. Patrick's Women's Shelter	St. Patrick's Women's Shelter
Amount	\$5,000	\$6,132

First Church

The FY 2000 grant was awarded to First Church to remodel their bathroom facilities within their shelter.

ESG	FY 2000	FY 2001
Project	First Church Shelter	N/A
Amount	\$7,500	-

Cambridge Cares About AIDS

The FY 2000 ESG was awarded to provide shelter services to women living with HIV. All the funds were used to pay rent to the YWCA where the program runs with a 5 bed capacity for its target population. CCAA did not apply for a grant for FY 2001.

ESG	FY 2000	FY 2001
Project	Emergency/Transitional Housing for Women	N/A
Amount	\$6,100	-

Leveraging Resources

Rental Assistance Fund	\$69,313
Cambridge Fund for Housing the Homeless	\$9,474
State Department of Transitional Assistance (MHSA + HAP)	\$228,761
State Department of Education	\$24,750
City match for SHP projects 2000 cycle	\$147,092

These SHP sponsors will leverage \$3,593,979 in cash match and leveraged resources.

Cambridge Housing Partnership Legal assistance from City General funds	\$50,000
Community Legal Services and Counseling Center CDBG funds	\$20,000

Self Evaluation

Program and project evaluation takes place on various cycles depending on the nature of the funding. CDBG Public Service funds are monitored through quarterly reporting and an annual site visit. During FY 2001 all projects were in good standing. Their numerical progress is charted on the attached spreadsheet.

SHP contracts are monitored through annual reporting and site visits. The numbers of clients served are also on the attached spreadsheet. The ESG funding is used solely for supporting the operating costs of shelters and is not a client based form of assistance.

